IN THE HIGH COURT OF JUDICATURE, ANDHRA PRADESH
AT HYDERABAD

THE HON'BLE SRI JUSTICE GODA RAGHURAM

WRIT PETITION NO : 1812 of 2004

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Date: 26.09.2005

Between:

1 K. Chandra Sekhar, S/o. Nanjundappa, Clerk,
Working in Yemmaganur Cooperative Town Bank Ltd.,
Yemmaganur, Kurnool District-518 360 and 33 others.

..... PETITIONERS

AND

1 The Yemmaganur Cooperative Town Bank Ltd., Rep.by its
Secretary, Yemmaganur,Kurnool District- 518 360 and
three others.

.....RESPONDENTS

THE HON'BLE MR JUSTICE GODA RAGHURAM

WRIT PETITION NO : 1812 of 2004

ORDER:

By an order dated 12.01.2004, the Person-in-Charge of the Yemmiganur Co-operative Town Bank Limited, Yemmiganur, instructed the Secretary of the Bank to issue a notice to the Staff Members intimating to them that no salaries will be paid from January, 2004 in view of the ceiling on establishment expenditure imposed by Section 116 C of the Andhra Pradesh Cooperative Societies Act VII of 1964 (for short 'the Act'). The notice also directed that the payment of salaries be stopped from January, 2004. The petitioners are aggrieved by the said order of the second respondent.

It appears that after the admission of the writ petition, the Government nominated a Person-in-Charge Committee. The Chairman of such a nominated Person-in-Charge Committee, filed a counter-affidavit. The answering respondent states that the financial position of the Bank is very bad and therefore the impugned orders have been issued; that as on date the working capital is only Rs.9.90 crores, there are no profits and the Bank is running in losses, the cumulative accumulated losses as on 31.03.2005 are in the order of Rs.43 lakhs and that the monthly salaries for the existing staff comes to Rs.3.23 lakhs, which is beyond the financial capacity of the Bank and the ceiling limits prescribed under Section 116-C of the Act.

Faced with the dilemma between the mandate of law and the need of the petitioners, Sri L. Prabhakar Reddy, learned counsel for the petitioners, submits that the petitioners would like to negotiate with the Management regarding their salaries and that no adjudication by this Court is necessary.

The learned counsel for the first respondent – Bank is not disagreeable to the suggestion.

Under the aforesaid circumstances, the writ petition is dismissed. However, the petitioners are at liberty to pursue with the Management for an appropriate scheme for payment of their salaries. No order as to costs.

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Goda Raghuram, J)

Date: 26.09.2005

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